

DEC 7 2006

BEFORE THE FEDERAL ELECTION COMMISSION

SECRET

In the Matter of)

2006 DEC -7 P 2 22

Democratic Party of Virginia—)

MUR: 5810

Federal Campaign Committee and)

Abbi G. Easter, in her official capacity as treasurer)

SENSITIVE

GENERAL COUNSEL'S REPORT #2

I. ACTIONS RECOMMENDED

Accept the attached signed conciliation agreement with the Democratic Party of Virginia—Federal Campaign Committee and Abbi G. Easter, in her official capacity as treasurer, and close the file.

II. BACKGROUND

On September 12, 2006, the Federal Election Commission ("Commission") found reason to believe that the Democratic Party of Virginia—Federal Campaign Committee and Abbi G. Easter, in her official capacity as treasurer (the "Committee"), violated 2 U.S.C. § 434(b) by failing to disclose \$170,715.29 in combined receipts and disbursements in its original 2003 Mid-Year Report.

In its response to the Commission's reason to believe findings, the Committee contended that the omissions occurred when its outside accountant went on an extended sick leave and left her work to inexperienced staff who provided the Committee with an incomplete ledger to use in preparing its disclosure reports. The Committee further contended that they did not realize that the report was incomplete because its own staff was in transition at the time. The Committee stated that the accountant discovered the omissions after returning from sick leave and that it

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1 took prompt action to audit and correct the disclosure reports that were previously submitted.
2 The Committee also argued that the violation was mitigated by the fact that the 2003 Mid-Year
3 Report was not an election-sensitive report, the corrections were made six months prior to the
4 general election and the undisclosed transactions were primarily transfers between the non-
5 Federal and Federal accounts and not "from any federal campaign activity." Finally, the
6 Committee affirmed that it has taken steps to prevent future problems by hiring a new political
7 compliance firm to handle its accounts and FEC reporting, and offered to send staff to
8 Commission-sponsored training.

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11 **III. DISCUSSION**
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IV. RECOMMENDATIONS

1. Accept the attached conciliation agreement with the Democratic Party of Virginia—Federal Campaign Committee and Abbi G. Easter, in her official capacity as treasurer.
2. Close the file.
3. Approve the appropriate letter.

Lawrence H. Norton
General Counsel

Lawrence L. Calvert, Jr.
Deputy Associate General Counsel for Enforcement

12-6-07
Date

BY: Kathleen M. Guith
Kathleen M. Guith
Acting Assistant General Counsel

Dominique Dillenseger
Dominique Dillenseger
Attorney

Attachment
Conciliation Agreement

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